ECI

HIGHER MEDIA VALUE

REPORT ISSUE 30
Q4 2022

ECI Media Management

inflation report

Update Q4 2022

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Photo: Ulrike Neumann / iStock

2022 ECI inflation report Executive summary Q4

For a short period at the beginning of the year, optimism seemed to be in order. While Covid-19 was still prevalent, it was under control thanks to the vaccine, and death and hospitalization rates were declining. The world started opening up again, from hospitality to international borders and, for a moment, governments, businesses and individuals breathed a sigh of relief.

But then the Putin regime invaded Ukraine at the end of February, with severe ramifications for the global economy. Fuel prices have spiralled, pushing up inflation, to which central banks have responded by increasing interest rates. Many economists expect that economic growth will slow in 2023, but can't agree whether it will remain just above growth, or if it will fall into negative growth, plunging the world into a recession.

The advertising industry has long been a bellwether for the rest of the economy, and increasing inflation is no different. In our 2022 Inflation Report, published in the first quarter and before Putin's invasion of Ukraine, we forecast that global media prices would inflate by 4.4% in 2022 – 5.7% for Offline, and 3.6% for Online. In this, our update to the main report, in which we review and update our forecasts based on the evolving landscape and economic context, we forecast that global media inflation will in fact be at 5.2% in 2022, with 6.5% for Offline media and 4.5% for Online. Those changes are being driven by the economic factors mentioned above, particularly increased CPI inflation. Overall media inflation is highest in North America (6.2%), followed by EMEA (5.9%), while inflation in APAC continues to be lower than in other regions; this is largely down to China, where media inflation is moderate and more stable than in many other countries globally.

Globally, Offline inflation is higher than Online in all regions except APAC, but all media types are expected to be inflationary, with the exception of Magazines. As anticipated, TV is experiencing steep inflation in all regions, although it is expected to be lower in APAC at 4.1%. It will be highest in North America (13.4%) and EMEA (11.3%).

The inflation story of course varies from country to country, based on factors including the resilience of the market economy, recovery from the pandemic and CPI inflation. And, with consumers reducing their spend, many brands

Photo: anyaberkut / iStock

Executive summary Q4

will also look to reduce theirs spend. This will create a drop in demand for media, which could in turn reduce media pricing, thereby reversing the increased media inflation we are seeing this year.

In such turbulent times, one of the most effective ways for brands to create value is by renegotiating agency contracts and/or conduct agency pitches for marketing services, including media, creative and production. This is something that an impartial, experienced and forensic media consultancy can help with, ensuring that you identify opportunities to drive higher media value.

ECI's Inflation Report is published annually in the first quarter, forecasting media inflation across seven media types globally and in 50 markets. In this update, we explore the effect that macroeconomic factors such as the pandemic recovery, CPI inflation, fuel shortages and the rising cost of living are having on media pricing, and how the outlook has changed over the course of 2022, with updated media inflation forecasts for 19 key global markets. Our analysts across the world harness their deep knowledge of the advertising landscape with industry-leading forensic data analysis skills to understand how media inflation evolves. Our information is derived from a number of sources, including our global network of experts, real client data, and agencies. We cross-reference it with data from industry bodies and publications, as well as agency traders and media vendors, meaning that it holistically reflects the expertise of those with an impact on trading variables. We hope that this update plays a valuable role in your toolkit as you prepare for 2023 and beyond.

Photo: IM_photo / Shutterstock

Global market inflation trends

After a downward trend from 2018, global CPI inflation increased in 2021 and into the first two quarters of 2022.

While inflation did rise in the US in the first two quarters of 2022, a tight labor market and strong wage growth has helped to offset the impact of the war in Ukraine and other supply issues.

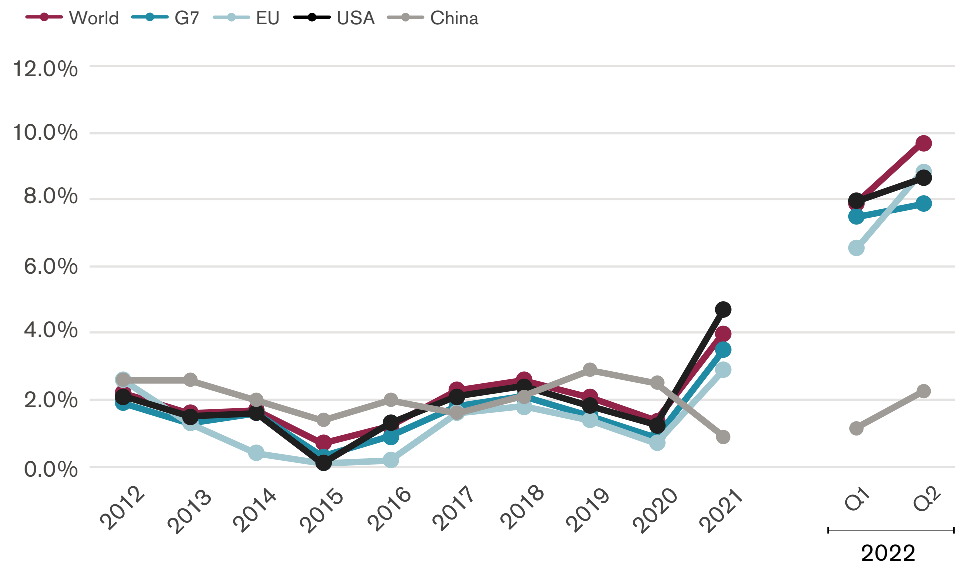
The EU suffered a sharp upwards incline in inflation between the first and second quarters; meanwhile, Chinese inflation rates appear to be relatively under control compared to other territories.

Almost all major markets across the world are forecast to see a reduction in real GDP growth compared to 2021. A notable exception is Japan, which is expected to hold steady.

Photo: JoeyCheung / Shutterstock

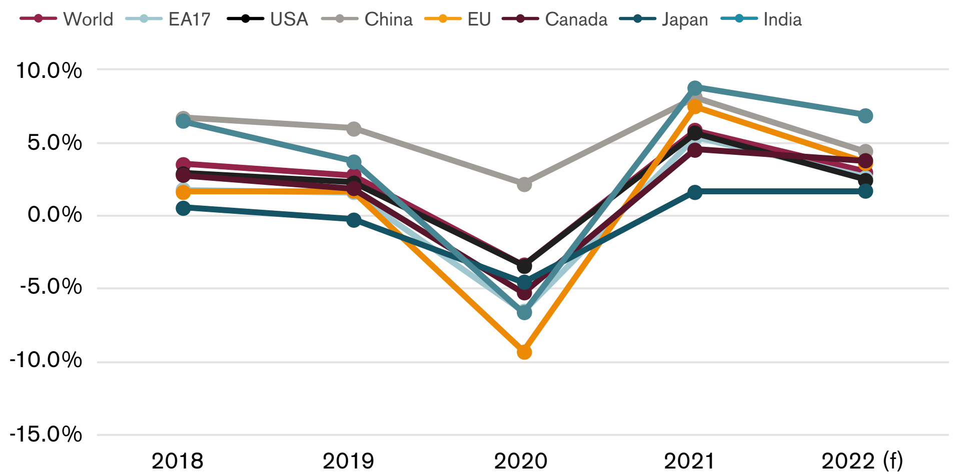
Global market inflation trends

CPI Inflation, % change, year-on-year



Source: Source: OECD Economic Outlook (https://www.oecd-ilibrary.org/economics/oecd-economic-outlook_16097408)

Real GDP, % change, year-on-year



Source: OECD Economic Outlook (https://www.oecd-ilibrary.org/economics/oecd-economic-outlook_16097408)

ECI HIGHER MEDIA VALUE

Global events

Optimism that the world would return to 'normal' after the worst of the pandemic was over has been short-lived. The after-effects of the pandemic, the war in Ukraine and rising fuel prices have combined to drive up inflation and the cost of living – and the threat of a recession is looming.

THE GLOBAL ECONOMY

Threat of recession

There has barely been a let-up in bad news surrounding the global economy in recent years, and so it continues. Economists across the world are increasingly gloomy about the prospect of a global recession in 2023: the three largest economies (US, China and the eurozone) have been slowing sharply, and the World Bank has said that even a 'moderate hit to the global economy over the next year could tip it into recession'.

There are many factors causing economic downturns, including rising fuel prices caused by the war in Ukraine and resulting sanctions on Russia, and soaring inflation in many large markets – currently at 8.3% in the US and 9.1% in the EU. Central banks are responding to rising inflation by increasing interest rates, which – alongside financial market stress – would slow global GDP growth to 0.5% in 2023.

Cost of living crisis

Many of the factors listed above are also contributing to a cost of living crisis in many countries. From fuel and food to transport and health, costs are rising for billions across the world, leading to a global tightening of belts – which in turn is contributing to the threat of recession.

The war in Ukraine

In late February, Russian president Vladimir Putin launched a full-scale invasion of neighbouring Ukraine, bringing war and a refugee crisis to Europe's doorstep. The West hurried to Ukraine's aid, sending weapons and other military equipment as well as implementing a wide range of economic sanctions on Russia. These sanctions – and Russian retaliation – have been a huge contributing factor to the rocketing price of fuel across the world, which is in turn contributing to the cost of living crisis and inflation.

We recently released our whitepaper with key insights into marketing during a global recession. You can access it here.

Photo: Andy Shiels / Shutterstock

Global events

WORLD POLITICS

New leaders

2022 has seen some key political shifts, and there are more to come. In April, France voted to retain Emanuel Macron as president, while Sweden has seen an upsurge in support for right-wing parties, forcing Prime Minister Magdalena Andersson to resign. She was replaced by Ulf Kristersson. The Australian Labour Party won the general election in Australia in May, propelling Anthony Albanese into the role of Prime Minister. At the end of September, Giorgia Meloni became Italy's first female Prime Minister, and its most far-right leader since World War II.

The UK is currently experiencing some turbulence, with a new Prime Minster and a new Head of State in the space of just two days in September. The death of Queen Elizabeth II and accession of her son, King Charles III, has led to some discussion about the UK's position in the world, particularly in relation to the Commonwealth. Meanwhile, the IMF criticized a fiscal plan from new Prime Minister Liz Truss' government that, among other controversies, saw the value of the pound plunge to an all-time low against the US dollar.

Upcoming elections

The US is preparing for midterm elections on November 8th which will, as always, be seen as a barometer for how the public rates the current administration, particularly in the key battleground states of Georgia, Pennsylvania, Arizona, Nevada and Wisconsin. Spend on political advertising is expected to hit $9.7 billion and has already surpassed total spend in the 2018 and 2020 election cycles. The volume of spend will have ramifications for both national and local advertisers.

The leftist Brazilian presidential candidate, Lula da Silva was, at the time of writing, leading right-wing incumbent Jair Bolsonaro in the second round of Brazil's presidential elections. Lula is making a bid to return to the top of Brazilian politics 20 years after he first stormed to the presidency, but has since been tainted by corruption scandals.

Environmental disasters

It wasn't just economic difficulties that the world has had to contend with in 2022. In the northern hemisphere's summer, we saw extreme heatwaves across Europe, the US and Asia. These led to wildfires and water shortages across Europe and the US, and devastating flooding during Pakistan's monsoon. It is becoming increasingly difficult for world leaders to justify inaction, and the climate crisis will undoubtedly remain at the top of the global agenda, even amid other challenges.

SPORT

Women's Euros

2022's major sporting event – the men's FIFA World Cup – is taking place in November and December in Qatar. However, that's not to say the rest of the year has been bereft of sporting entertainment. In the summer, the UEFA

Photo: fuyu liu / Shutterstock

Global events

women's Euro football competition, which took place in the UK, attracted unprecedented attention: it was watched by over 365 million people globally, and generated 453.3 million social interactions, largely on TikTok and Twitter.

Winter Olympics and Paralymics

China hosted the Winter Olympics and Paralympics in 2022, but the Games were overshadowed by the imminent threat of Russia's invasion of Ukraine, and China's treatment of the Uyghurs.

Men's FIFA World Cup

The upcoming FIFA World Cup will not be without its controversies either. Qatar's approach to human rights, particularly of the workers who built the World Cup stadiums and to LGBTQ+ community, as well as the environmental impact of the tournament, will be prominent, and brands will be aware of these as they plan their World Cup strategies.

The timing is another issue: Qatar has exceptionally hot summers, which is when World Cups are traditionally held, so the tournament has been moved to the winter, interrupting many European domestic leagues. The timing, however, will be an opportunity for brands, given that the tournament will provide access to lucrative audiences just before the Christmas season.

Sports betting in the US

In the US, advertising spend on sports betting has been increasing, with local advertising forecast to reach $1.8 billion by the end of this year. This follows moves by states across the country to legalize gambling; with California and possibly Texas expected to legalize gambling by 2024, ad spend for sports betting is expected to jump to $3 billion. The NFL has restricted the number of sportsbooks ads to six across TV and Amazon Prime for each game, and it has approved five advertisers.

Photo: den-belitsky / iStock

Media and tech developments

Delaying the death of the cookie

The cookieless future has been a long time coming. Apple and Firefox started limiting tracking as far back as 2017, but it became a stark reality in 2020, when Google first announced that it would be phasing out the third-party cookie in Chrome. The deadline has been pushed out several times, and at the end of July this year, Google announced that it would be delaying the cookie's demise yet again, to 2024. Experts have speculated on the reason, from economic uncertainty to a need for more time across the online ecosystem to get the shift right. But one thing is clear: despite these delays, the cookie's demise is inevitable, and marketers would be wise to start preparing for a cookieless future now. It won't necessarily be easy, but it presents an opportunity to create a more human era in online advertising. Find out how to navigate this future in our ECI Thinks post.

Netflix and Disney+ announce plans for ad-supported tiers

Netflix and Disney have seen very different results in 2022 so far: while Netflix is trying to avoid losing even more subscribers, Disney+ is seeing record numbers. But the two streaming companies have reached a similar conclusion when it comes to securing future growth amidst economic uncertainty: launching ad-supported tiers on their platforms. Both are set to launch towards the end of 2022, and advertisers will be eagerly awaiting the opportunities they present, including the ability to reach otherwise elusive audiences. Find out more here.

The rise and rise of TikTok

For years, our social media lives have been dominated by the company now known as Meta. But a relative newcomer is threatening to severely dent Facebook and Instagram's dominance. In terms of engagement, TikTok is far ahead of Instagram, with users spending an average of 25.7 hours a month on TikTok in 2021, compared to just 7.9 hours on Instagram.

TikTok is also the favored platform for teens, with 33% saying it was their preferred platform last year, compared to 22% for Instagram. TikTok's continued growth has flustered Meta, which has responded by making its Reels feature more prominent on both Facebook and Instagram. But the latter has suffered a backlash from influencers and creators, who complain that Instagram is becoming confused and too much like TikTok. The takeaway for advertisers is that, while TikTok should certainly play a key role in any social media strategy, Meta isn't going anywhere. Read more here.

Big Tech hit with fines

While TikTok's investors are undoubtedly delighted with its continued growth, its

Photo: Maximalfocus / Unsplash

Media and tech developments

leaders will be aware that with success comes regulation from national and international bodies, particularly in the US and Europe. In September, Meta was fined €405 million ($390 million) by the Irish data watchdog for allowing teenagers to establish accounts that publicly displayed their phone numbers and email addresses.

The Irish Data Protection Commission also threatened to block Meta from sending user data to the US, leading to Meta to counter with a threat that such action would cause a blackout for many of its services in Europe. Meanwhile, Google faces a record $4 billion fine in Europe after losing its Android antitrust appeal. The ruling will likely boost the EU's ability to crack down on the Big Tech companies.

The metaverse

When Facebook's parent company rebranded to Meta and outlined its intention to invest and innovate in the metaverse, it prompted huge global excitement around Web 3.0 and the opportunities that the metaverse presents. The concept served as a powerful vehicle for repackaging existing technology, overselling the benefits of new technology and capturing the imagination of investors. It's safe to say that the hype has cooled over the course of this year and a massive shift to everyone living their lives in the metaverse is not imminent – but it's still important and will develop over the coming years. Find out what advertisers need to consider here.

The crypto crash

Investing in cryptocurrencies has become increasingly popular in recent years, with many investors viewing it as a lucrative but relatively safe option. But that couldn't be further from the truth now: a market that was estimated to be worth more than $3 trillion at the end of 2021 crashed earlier this year, and is now thought to be worth less than $1 trillion. The value of Bitcoin, the most well-known cryptocurrency, has fallen from a peak of nearly $69,000 to below $20,000 at the time of writing. The crypto crisis happened against the backdrop of the wider problems facing the global economy and investors started worrying about issues such as the cost of living and higher borrowing costs.

ECI Thinks is our regular blog on the issues that matter to global marketers. Follow us on LinkedIn to be notified about our latest analysis on the events, developments and players having an impact on the marketing landscape.

Photo: Maximalfocus / Unsplash

Global media inflation

Overall global media inflation in 2022 is forecast to be +5.2%. It is lower in Asia Pacific (3.6%), and higher in North America, which is expected to see 6.2% inflation.

Media inflation is a little higher than was forecast at the start of the year (4.5%). This will be largely down to high CPI inflation. This trend extends to both Offline and Online media, which are both forecast to be higher than expected at the beginning of the year. All Offline media have exceeded what was originally forecast in Q1, with TV at 9.4% versus 8.1%, and OOH at 3.4% versus 2.9%. Print is expected to be inflationary in all regions in 2022 except North America. It will be particularly inflationary in Latin America.

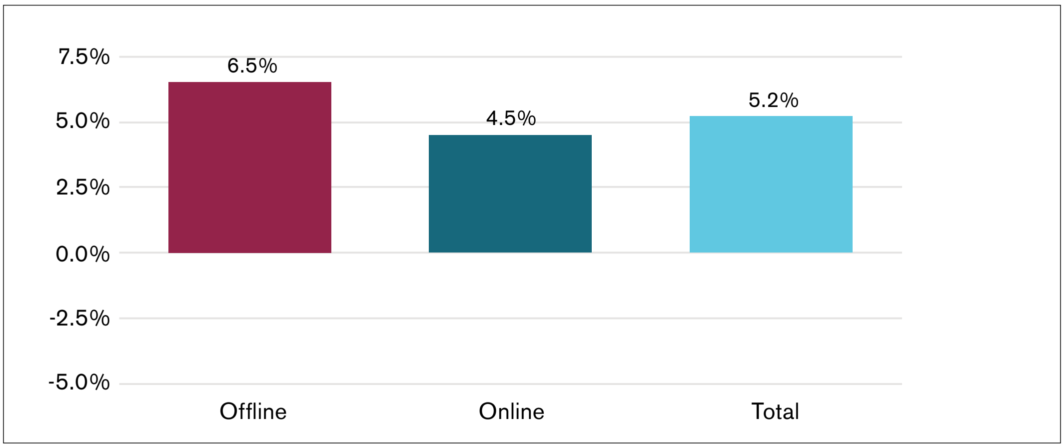
Shifting our gaze to Online, Online Video is expected to see inflation of 6.2% versus the 4.9% predicted in Q1, while Online Display is expected to remain as initially forecast at 2.8%.

At ECI Media Management, our experts can help you optimize your media investments and drive higher media value. If you would like to discuss your media activity with us, you can contact us at value@ecimm.com, or email our leadership team – you can find their details at the end of this report.

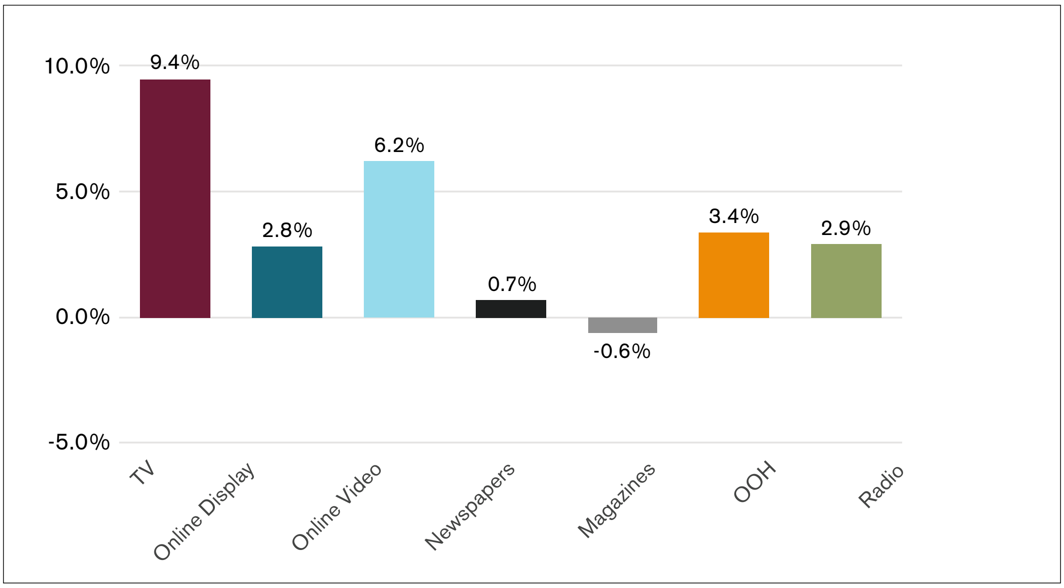
Photo: Dreamframer / iStock

Global media inflation 2022

Global media inflation 2022, Offline vs Online



Global media inflation 2022, by media type



Regional trends and developments

All regions across the world will experience media inflation in 2022, with the highest in North America (6.2%), followed by EMEA (5.9%). Inflation in APAC continues to be more modest than in other regions.

Offline is higher than Online in all regions except APAC; but all media types are expected to be inflationary, with the exception of Magazines. As anticipated, TV is experiencing steep inflation in all regions, although it is expected to be more modest in APAC at 4.1%. It will be highest in EMEA (11.3%) and North America (13.4%).

North America

TV inflation is expected to continue to be high at 13.4%, a little higher than we forecast at the start of the year – but only modestly so. Upfronts are seeing higher inflation than scatter, but the gap is closing. Online Video inflation is also expected to be high (8.2%), driven in part by CTV pricing. This is also higher than we reported in January. Print continues to be deflationary, in line with initial expectations.

Europe, Middle East & Africa

TV inflation continues to be high at 11.3% - this is caused in no small part by high inflation in the UK. All media are expected to show inflation, including Print.

Asia Pacific

Although TV inflation in APAC is expected to be higher than anticipated at the start of the year, it remains low compared to that of other regions. Online Video is also expected to see more moderate inflation than in any other region, close to our January forecast. Print will experience only slight inflation.

The lower inflation seen in this region is largely driven by China, where inflation is moderate and stable. The Pacific region, including Australia, is more in line with global inflation levels.

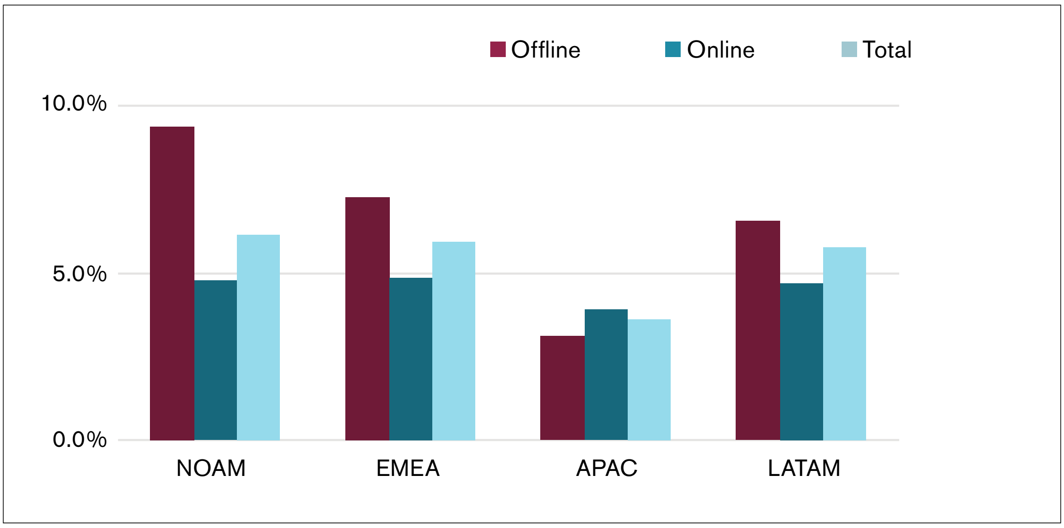
Latin America

Overall inflation remains in line with Q1 estimates, although TV inflation is slightly higher. Continuous double-digit inflation in Argentina continues to impact the region: overall Argentinian media inflation is expected to be 36%. The other Latin American markets will see inflation of between 2% and 6% for most media.

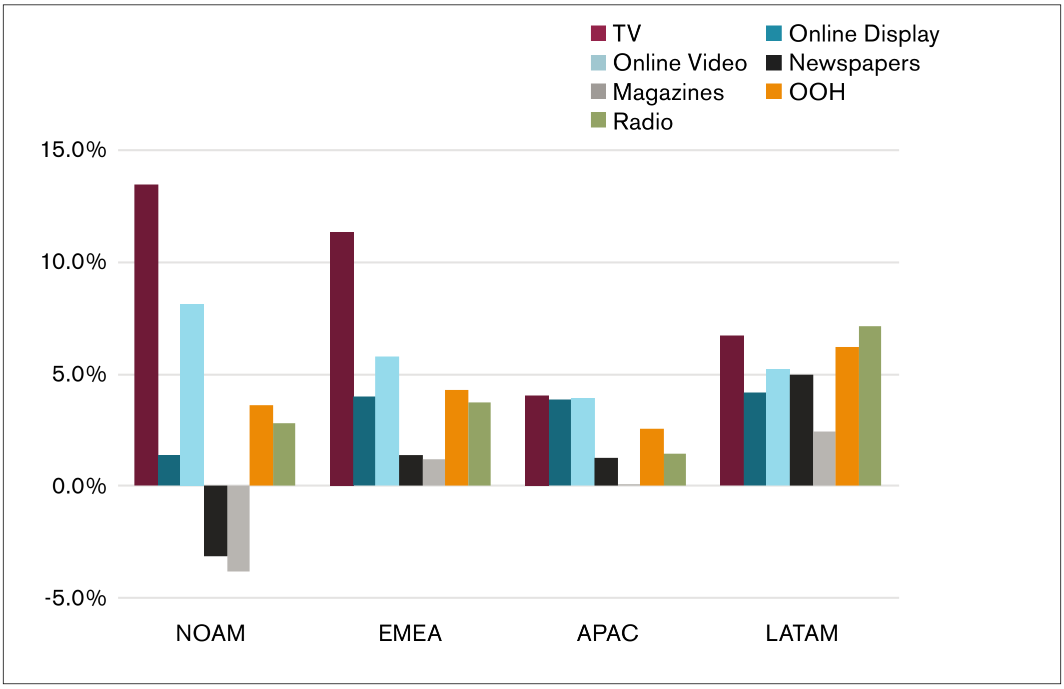
Photo: YuriFineart/ iStock

Regional inflation 2022

Regional media inflation 2022, Offline vs Online



Regional media inflation 2022, by media type



Key markets in detail

2022 has been a challenging year economically, and media inflation has reflected that fact. Over the next pages, we explore what impact global economic factors have had on media inflation in 19 markets. Experts in ECI offices and partners at a local level work with a wide variety of data sources to ensure that their insight and projections are as accurate as possible for our clients and for all marketers.

Each market tracks the five-year inflation trend by media type given the most recent updates. The second chart compares how inflation for Offline and Online media have evolved over a three-year period.

If you would like to discuss our findings and their context in more detail, please get in touch - you can find our contact details at the end of this report.

Photo: Predrag Vuckovic / iStock

North America

Gross domestic income in the US grew at 0.8% annual rate in the first quarter of 2022 and grew just 0.1% in the second quarter – much weaker than in earlier estimates by the Commerce Department. Gross domestic product also shrank during both periods, at 1.6% in Q1 and 0.6% in Q2. These measures indicate that the economy of the world's richest economy was at best sluggish in the first half of this year, and at worst had suffered two quarters of consecutive contraction – a common definition of recession. A growing chorus of voices is predicting pain for the US economy, including the chair of the Federal Reserve, who said that there was not a "painless way" to bring inflation under control. US inflation stands at 8.2% at the time of writing.

However, it's not all bad news coming from the US. Consumer confidence rose for the second month in a row in September, as moderating gas prices and a hope that inflation might be easing helped lift the nation's mood. The job market remains strong, and restored to pre-pandemic levels in July.

With key trading partners teetering on the brink of recession, Canada is also facing economic headwinds. Forecasters are projecting a sharp slowdown in economic growth for the rest of 2022 and into 2023, and any further threats to foreign demand for Canadian goods could tip the country into a recession. However, the Canadian dollar's weakness against the US dollar could play into Canada's favor, making exports from the country more attractive to American buyers.

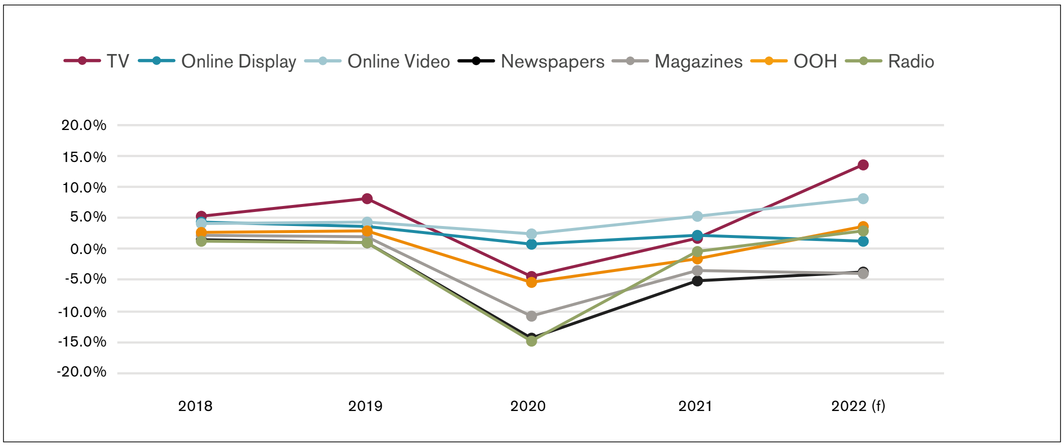
Photo: dosecreative / iStock

USA

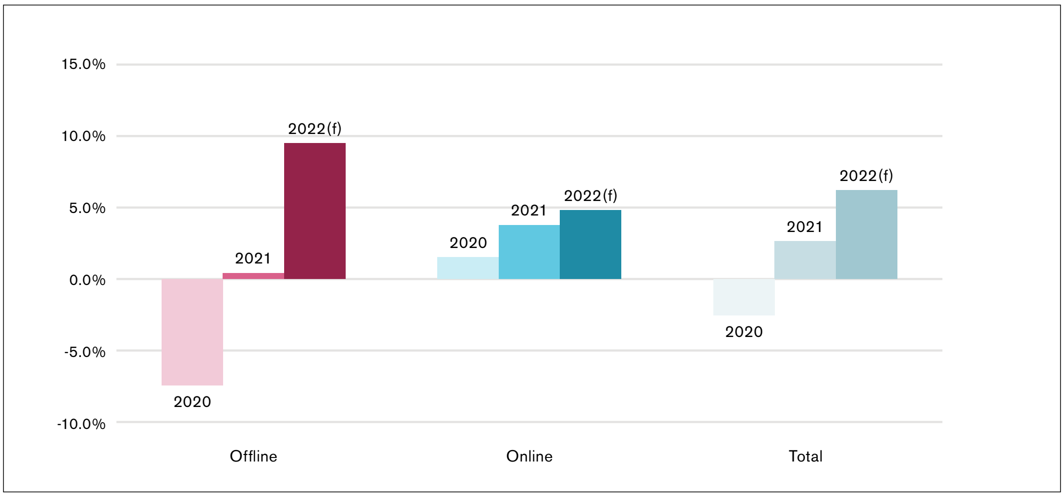
Forecast update: 2022 TV inflation is forecast to see a sharp rise versus 2021. This is thanks in part to the upcoming midterm elections, but also because many vendors are shifting content to their streaming platforms, which is decreasing supply of traditional linear TV and pushing up prices.

Online Video, OOH and Radio are all expected to see an increase compared to 2021. Online Display inflation is forecast to fall, while Print is expected to remain deflationary.

5-year trend 2018–2022(f)



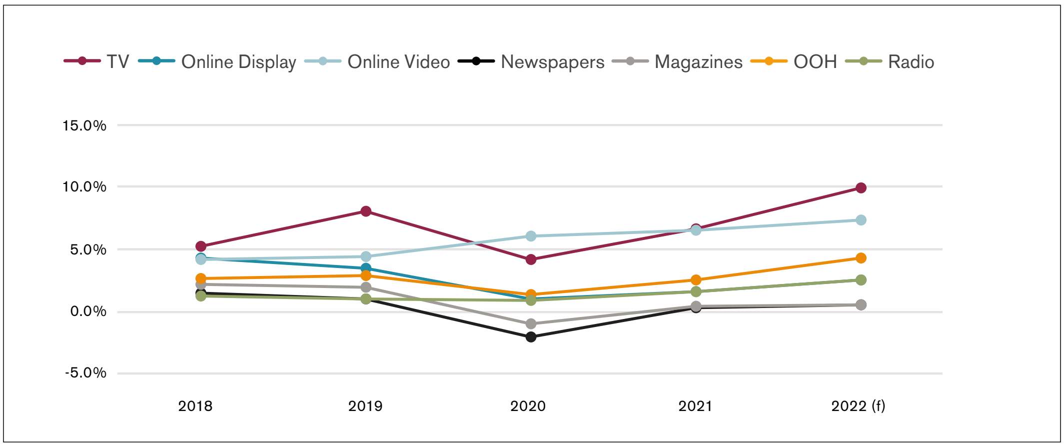
Offline vs Online



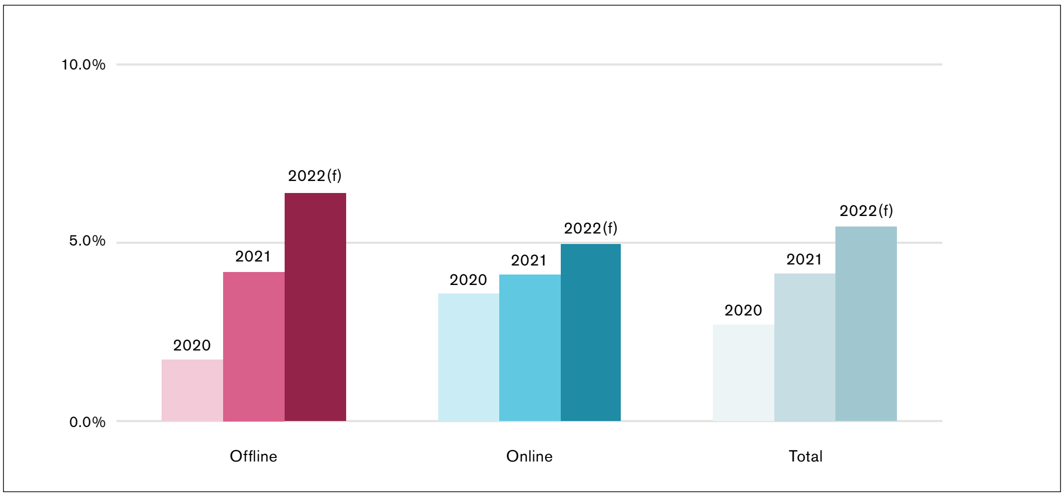
Canada

Forecast update: TV in 2022 is forecast to continue its upward trend from 2019. This is the same for all other media which are expected to continue a steady inflation rate, except for Print which will experience a lower inflation rate growth in 2022 compared to 2021.

5-year trend 2018–2022(f)



Offline vs Online



Europe, the Middle East and Africa

Cuts to the supply of Russian gas since the invasion of Ukraine have plunged European countries into an energy crisis, which has in turn fueled rising inflation and increased cost of living. The threat of recession is very real. In response, the European Central Bank has increased interest rates across the eurozone by an unprecedented 0.75 of a percentage point, to 1.25%. Germany, Europe's largest economy, is sending out recession signals; its key future indicator, the IFO survey of business confidence, pointed down for a fourth consecutive month. Astronomical gas prices and rocketing inflation are undermining consumer pricing power and sending business costs soaring. Meanwhile, the UK's new government announced a package of measures in response to the swirling economic crisis, which includes inflation of 10.1%. The measures panicked financial markets and caused the value of the pound to plummet to new lows against the dollar. The measures have since been scrapped, but much of the damage seems to have been done.

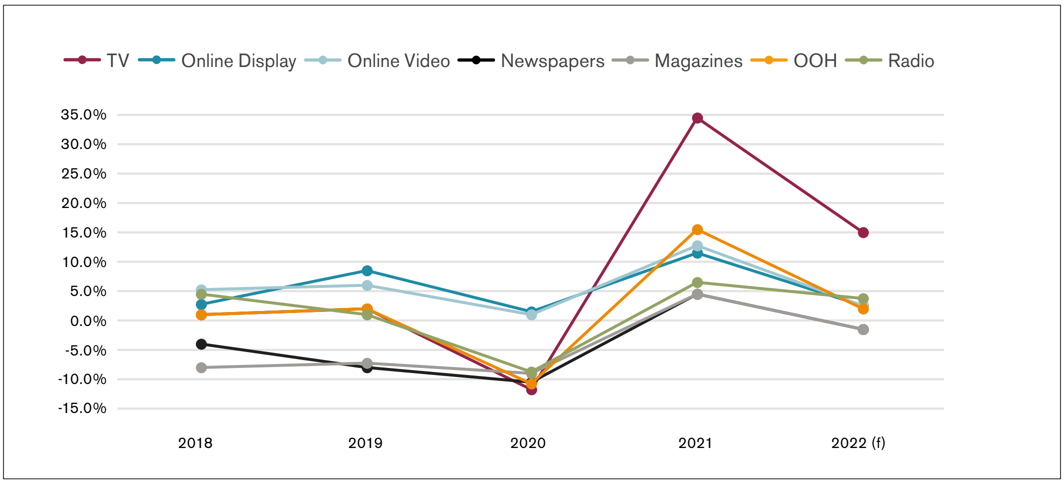
Elsewhere in the region, Saudi Arabia led the Middle East and Central Asia in the IMF's World Economic Outlook growth projections for 2022 and 2023. The kingdom is forecast to grow 7.6% in 2022 after expanding by 2.3% last year. Its growth is estimated to reach 3.7% in 2023.

Photo: Stockbym / Shutterstock

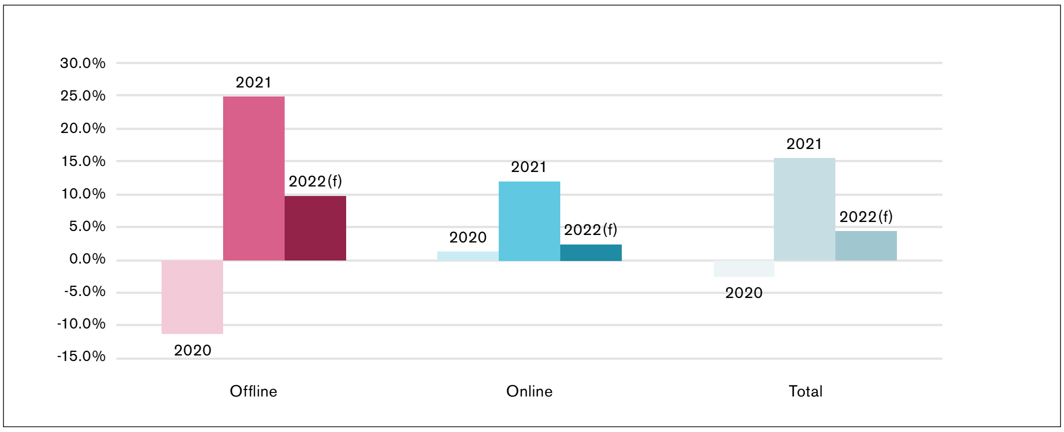
UK

Forecast update: All media is expected to see a reduction to inflation compared to 2021 levels, with TV seeing the largest deviation - although it is still high. Online, OOH and Radio will see similar inflation, but Print will fall into deflation.

5-year trend 2018–2022(f)



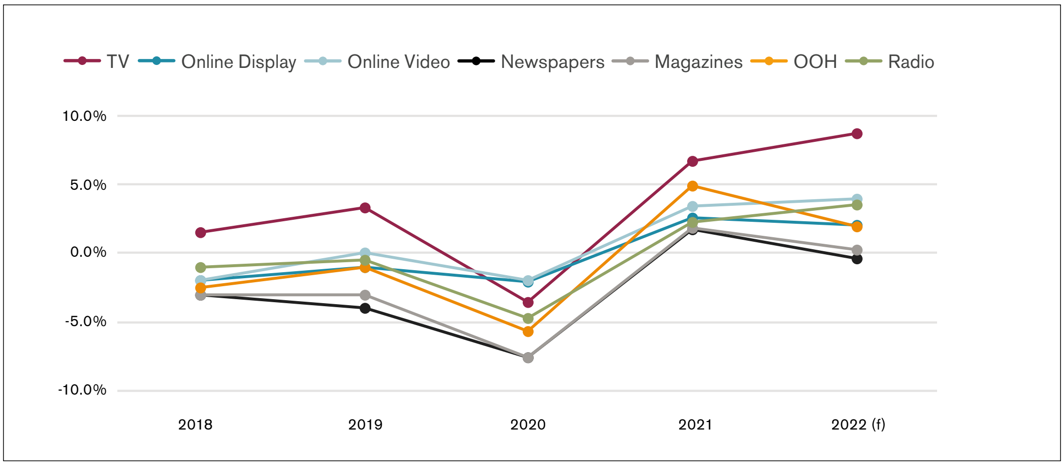
Offline vs Online



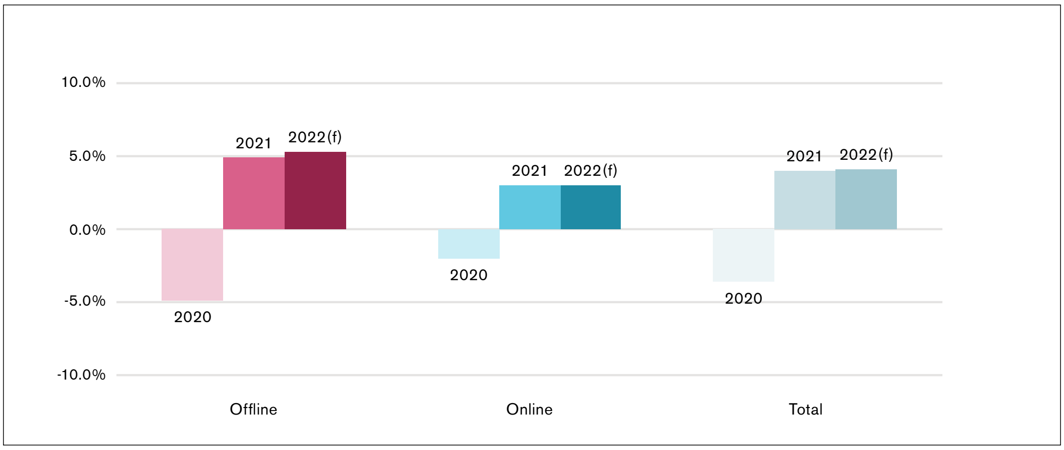
France

Forecast update: TV shows the largest increase to inflation over 2021 levels, while Online Video and Radio see slight bumps. Print and OOH inflation will decline versus 2021, and Newspapers will fall into deflation.

5-year trend 2018–2022(f)



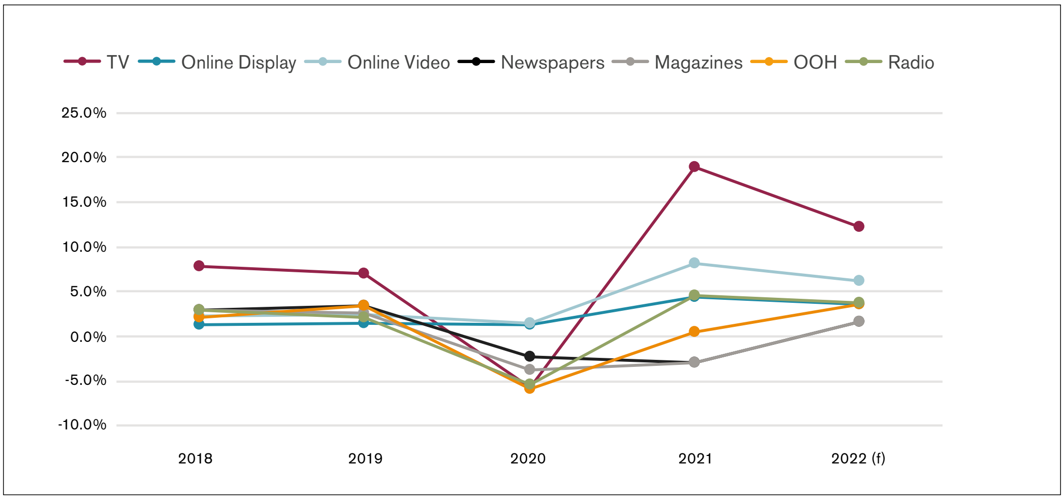
Offline vs Online



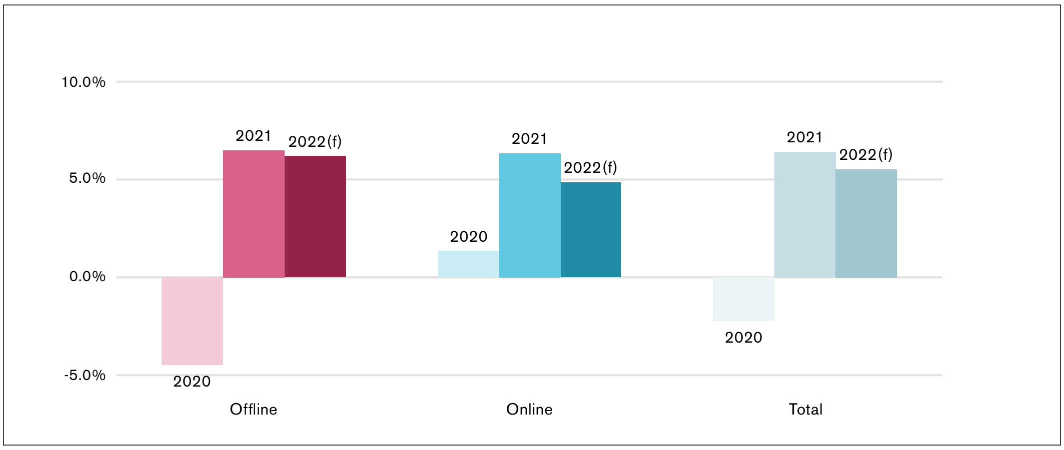
Germany

Forecast update: TV will see a reduction to its 2021 inflationary position. Print is expected to rise out of its deflationary position. Online and Radio will see a slight decrease in inflation.

5-year trend 2018–2022(f)



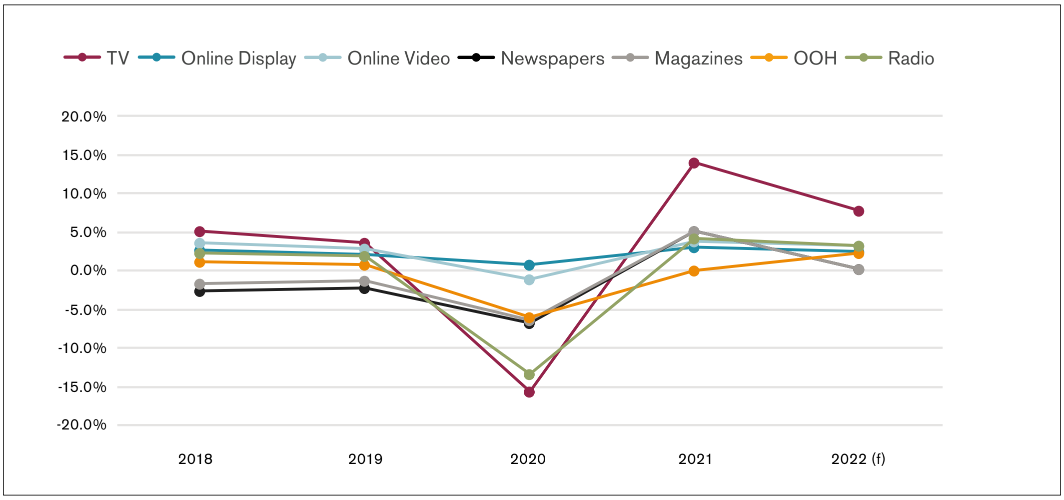
Offline vs Online



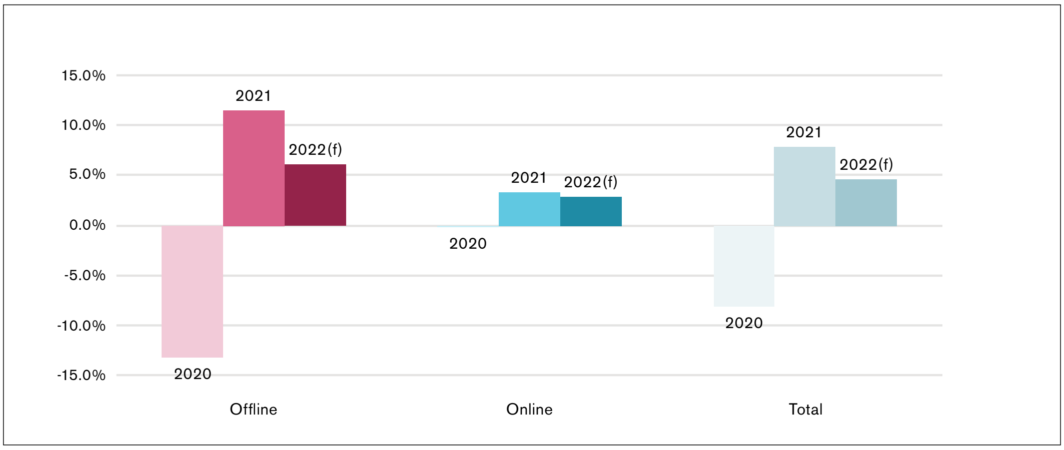
Italy

Forecast update: TV and Print are forecast to experience a decrease to inflation rates, while Online and Radio are expected to see only minor deviations. OOH is the only medium expected to see a rise in inflation versus 2021.

5-year trend 2018–2022(f)



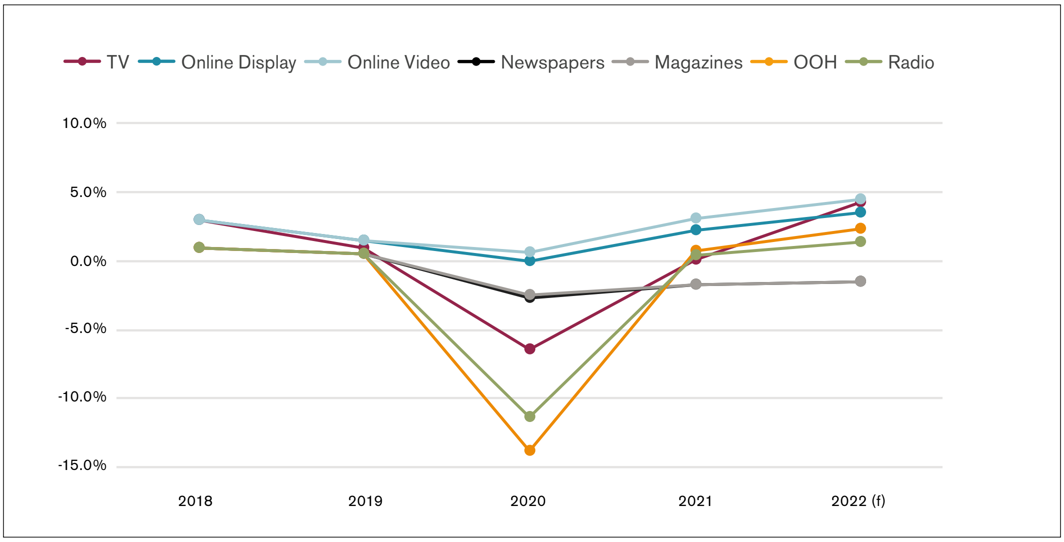
Offline vs Online



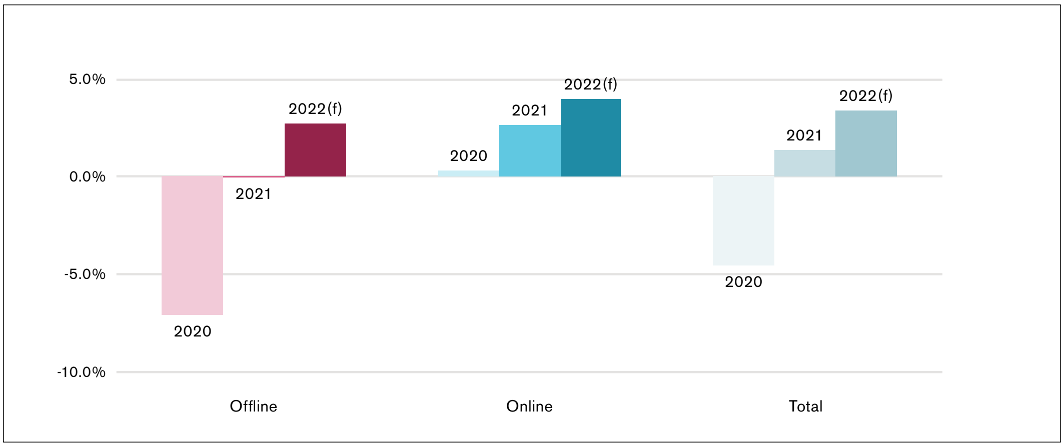
Spain

Forecast update: Most media are forecast to see only small shifts from their 2021 positions. The only exception is TV, which will see increased inflation.

5-year trend 2018–2022(f)



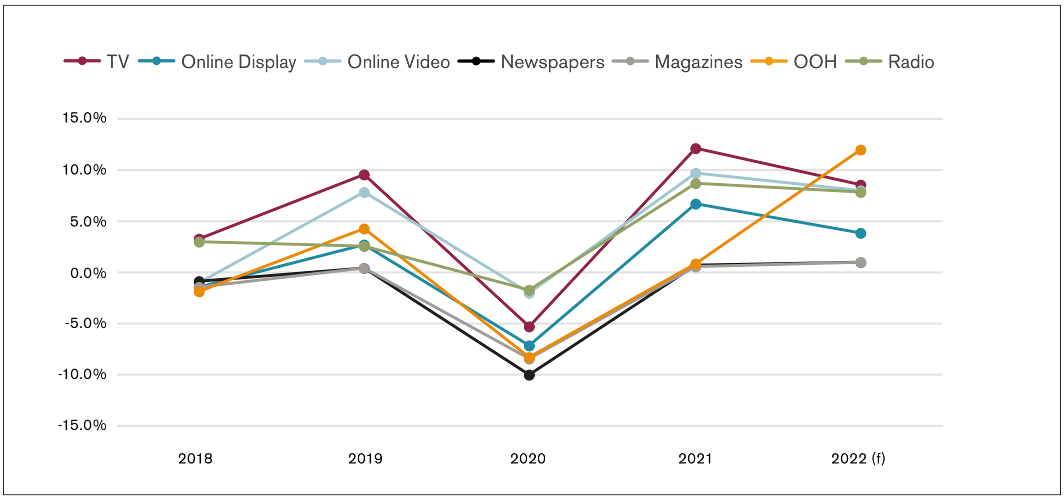
Offline vs Online



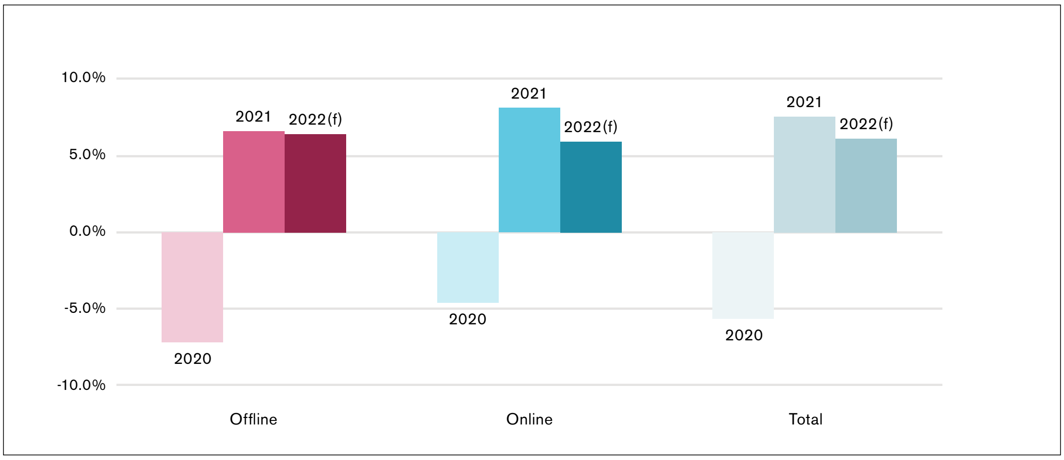
Nordics

Forecast update: OOH is expected to continue the strong upward trend seen in 2021 into 2022. TV and Online inflation estimates are suggestive of a reduction in their inflationary positions, while Radio and Print will see little deviation compared to 2021.

5-year trend 2018–2022(f)



Offline vs Online



Asia Pacific

China's growth forecasts were slashed by the World Bank in late September and its economic output will lag behind that of the rest of Asia for the first time since 1990. The World Bank GDP growth forecast is 2.8% in 2022, compared to 8.1% in 2021, while the Asia Pacific region's is expected to be 5.3%. The World Bank blames China's continued adherence to its zero-Covid approach, and also the historic collapse of the world's biggest property market. China's weak growth is the main factor in the overall slowdown of economic growth in East Asia and the Pacific which the World Bank forecasts at 3.2%, compared to 5% in April of this year. Asian business leaders have warned consumers that pricing will remain high, even as central banks across the world have raised interest rates in an effort to fight inflation.

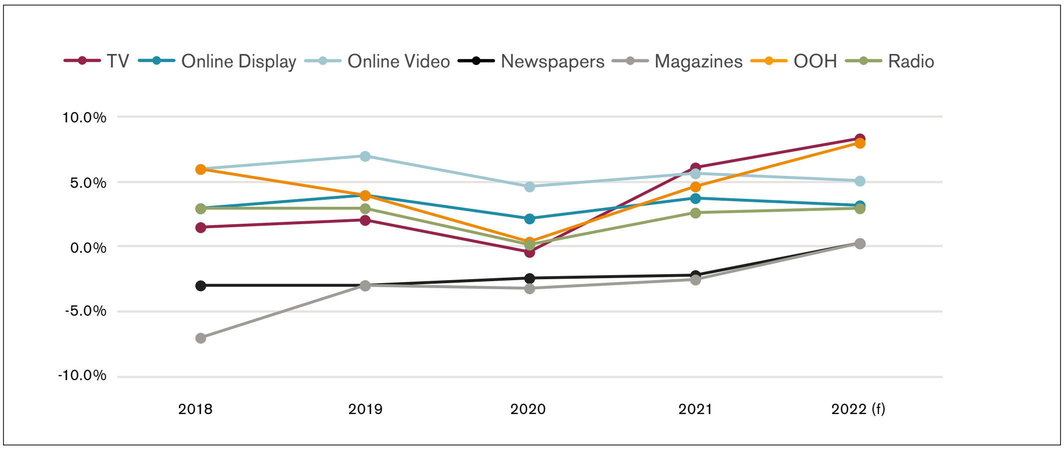
In September, the Japanese yen slid to its lowest point against the US dollar in 24 years. The government has responded in part by reopening the country's borders to mass tourism in an attempt to boost the economy. Meanwhile, the value of the Australian dollar has also decreased against the US dollar, putting upward pressure on goods traded in US dollars. Inflation in Australia has hit 7.75%.

Photo: fuyu liu / Shutterstock

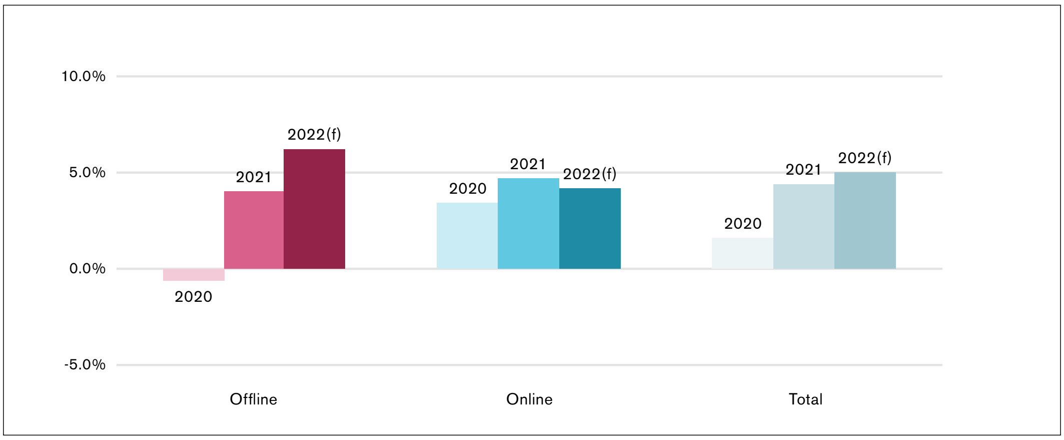
Australia

Forecast update: TV, OOH and Print are forecast to see an increased inflationary position compared to 2021, with Print finalizing in an inflationary position, compared to deflationary in 2021. Online and Radio are expected to see only minor shifts.

5-year trend 2018–2022(f)



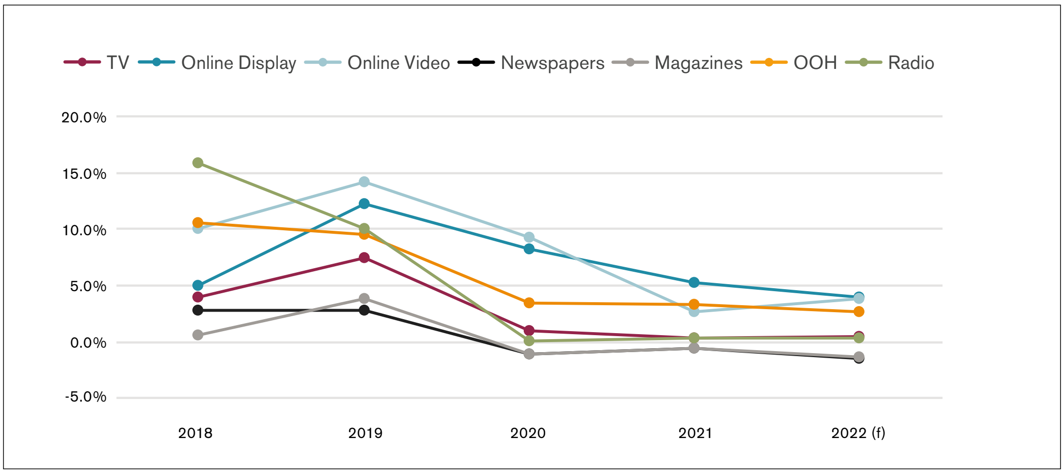
Offline vs Online



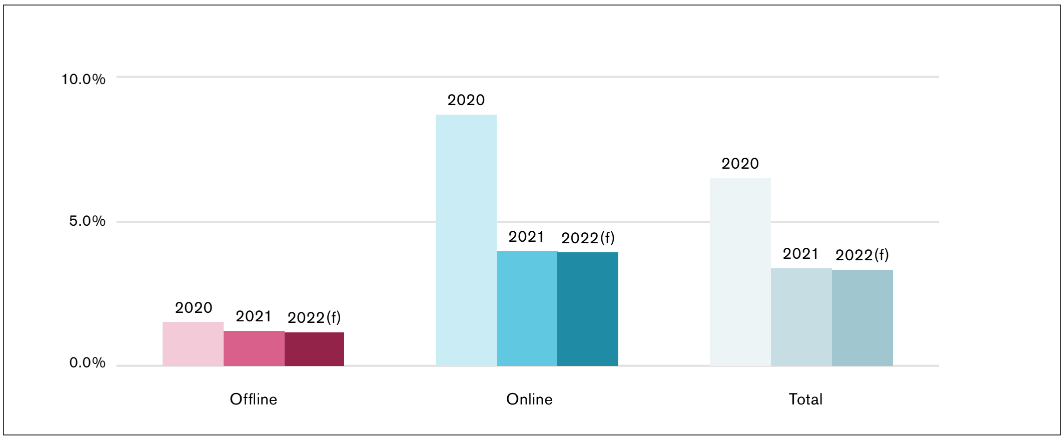
China

Forecast update: Most media are expected to see only small shifts versus their 2021 positions. The largest shifts are seen in Online, with Display inflation decreasing and Video inflation increasing. Print remains the only deflationary media.

5-year trend 2018–2022(f)



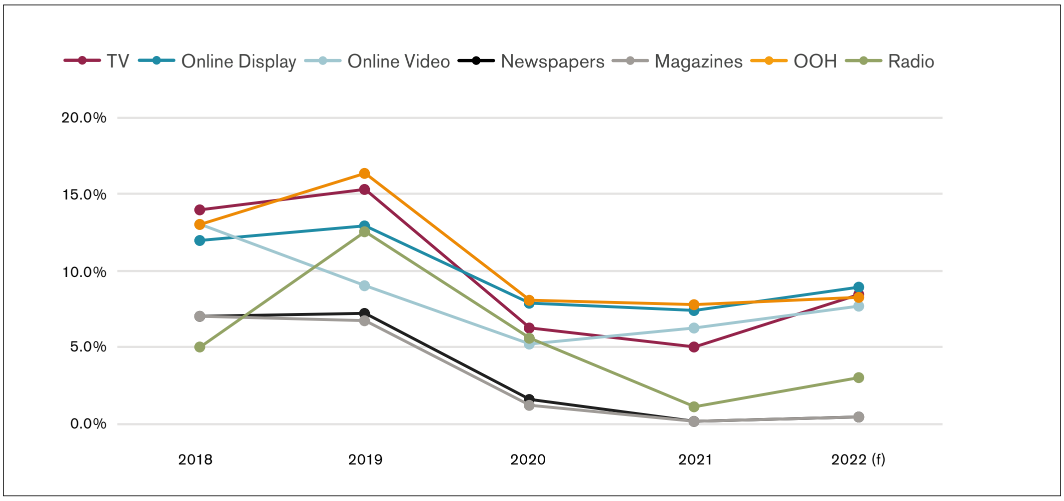
Offline vs Online



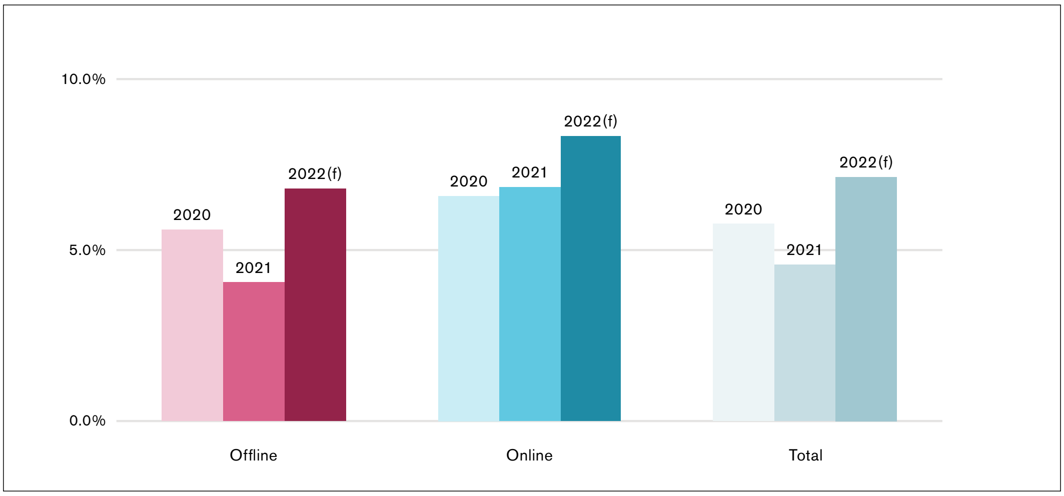
Indonesia

Forecast update: All media are forecast to have a higher inflation than in 2021. The greatest deviations are expected for TV followed by Online and Radio. Print and OOH are anticipated to see only slight increases.

5-year trend 2018–2022(f)



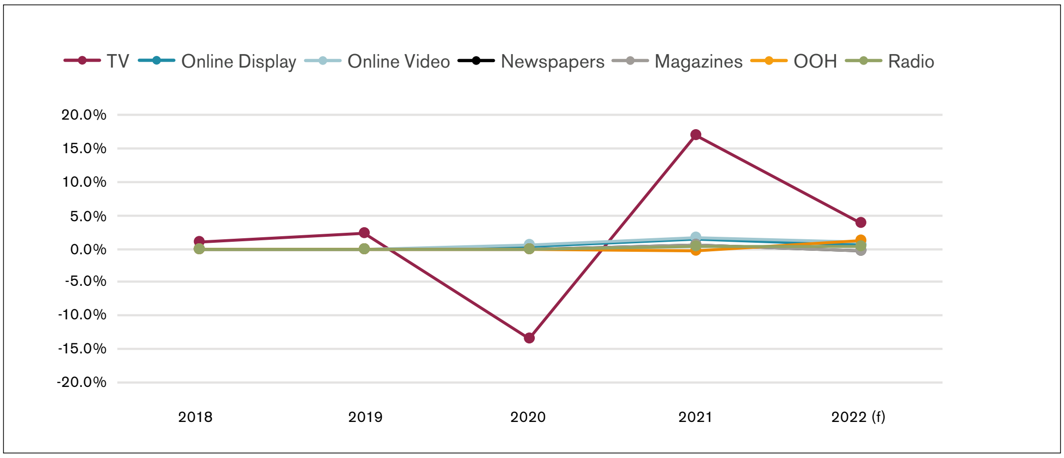
Offline vs Online



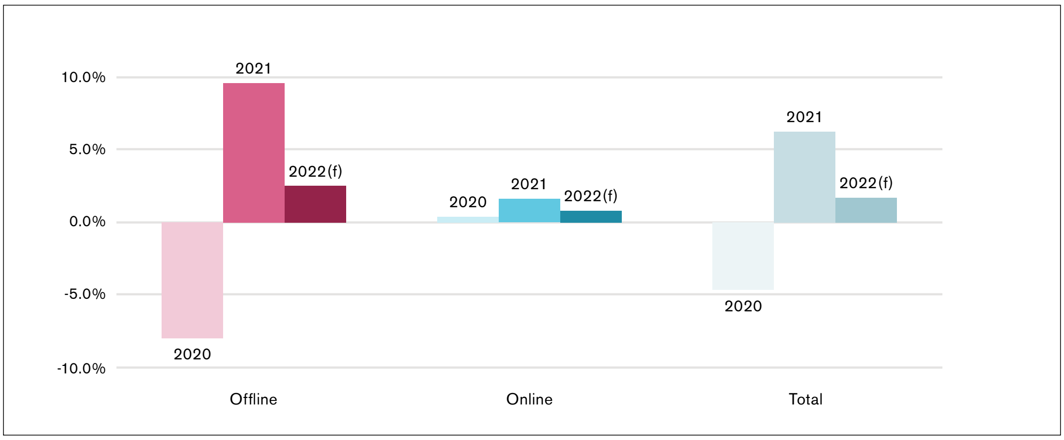
Japan

Forecast update: Japanese TV inflation is forecast to dip back down after an abnormally turbulent period, albeit still above the other media, which are clustered around zero inflation.

5-year trend 2018–2022(f)



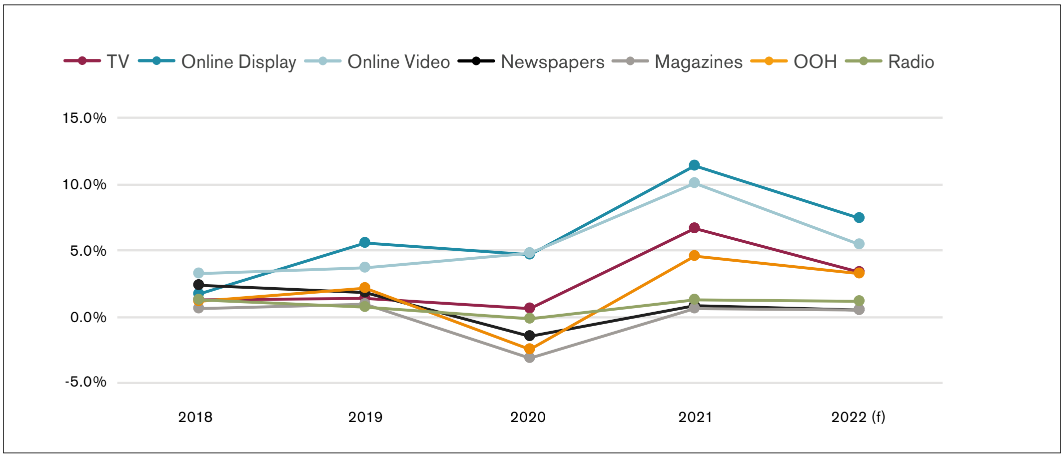
Offline vs Online



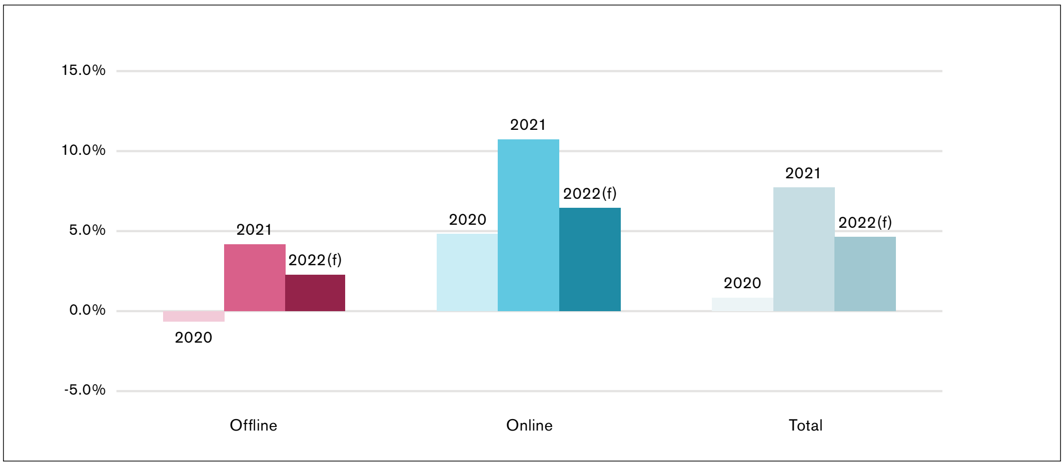
Korea

Forecast update: TV, Online and OOH are expected to experience a reduction in inflation rates compared to the peaks of 2021. Print and Radio will see little shift from 2021, finalizing in slightly inflationary positions.

5-year trend 2018–2022(f)



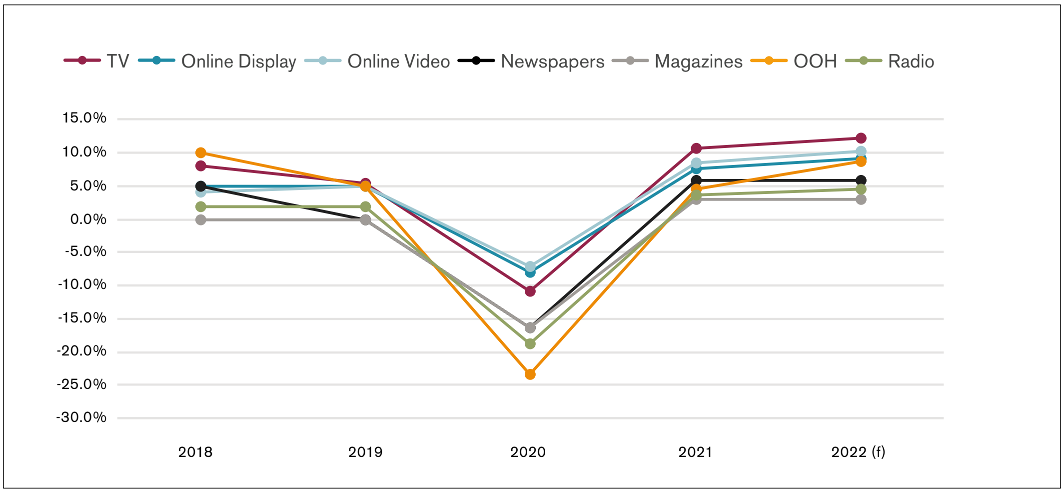
Offline vs Online



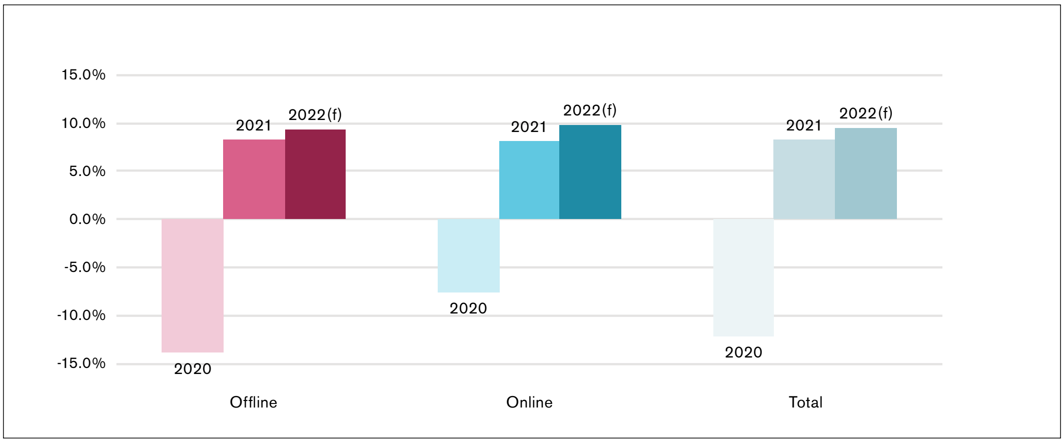
India

Forecast update: Most media are forecast to see a marginally higher inflationary position compared to that of 2021. The exceptions are Print which is expected to remain consistent with 2021, and OOH, which will see the largest deviation of all media types.

5-year trend 2018–2022(f)



Offline vs Online



Latin America

During the first half of 2022, inflation reached multi-decade highs in many Latin American countries. The latest available inflation data for August reveals that yearly headline inflation exceeded 9% in CAPDR and 6% in the smaller economies of South America.

Brazil's economy was the key focus of its recent presidential election, with voters concerned about a decline in quality of life and average GDP expansion of just 0.15% in the decade to 2021. Mexico's economy is forecast to finally reach pre-pandemic levels in 2023, with sporadic recovery since the Covid-19 pandemic. Its recovery has lagged behind regional and ratings peers.

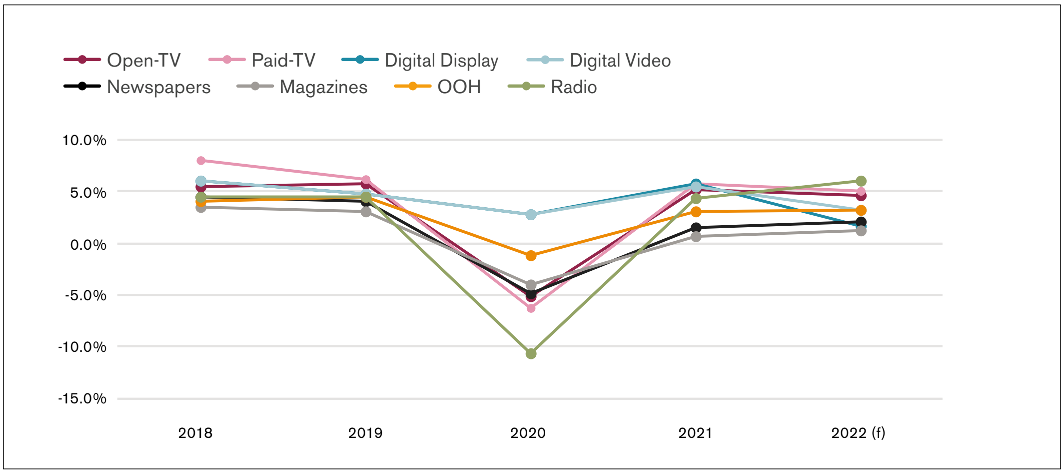
In the Caribbean, inflation reached almost 6% in March. Core inflation showed similar trends, staying at lower levels than headline inflation since it strips out food and energy prices.

Photo: Oscar Reygo / Unplash

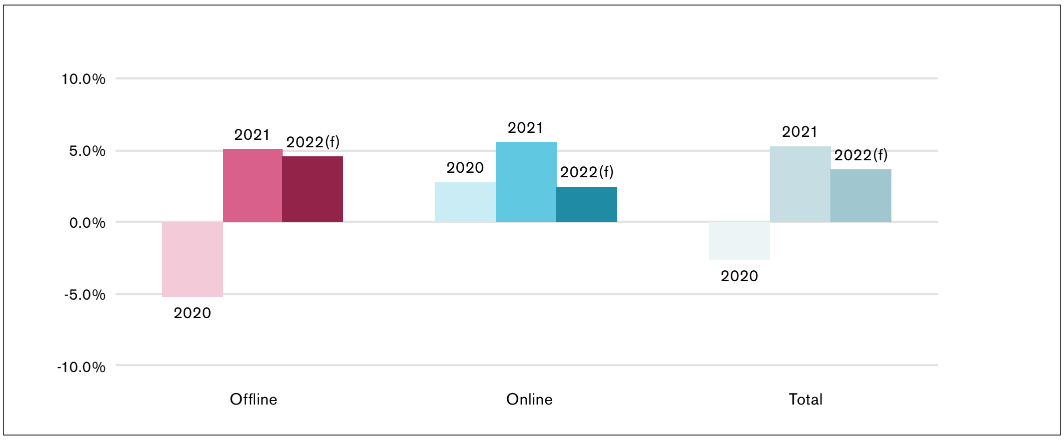
Brazil

Forecast update: TV and Online are both expected to see a reduced inflation rate compared to 2021, with the heaviest drop in Online Display. Print, OOH and Radio are expected to see slight increases in inflation, with the latter experiencing the highest inflation rate.

5-year trend 2018–2022(f)



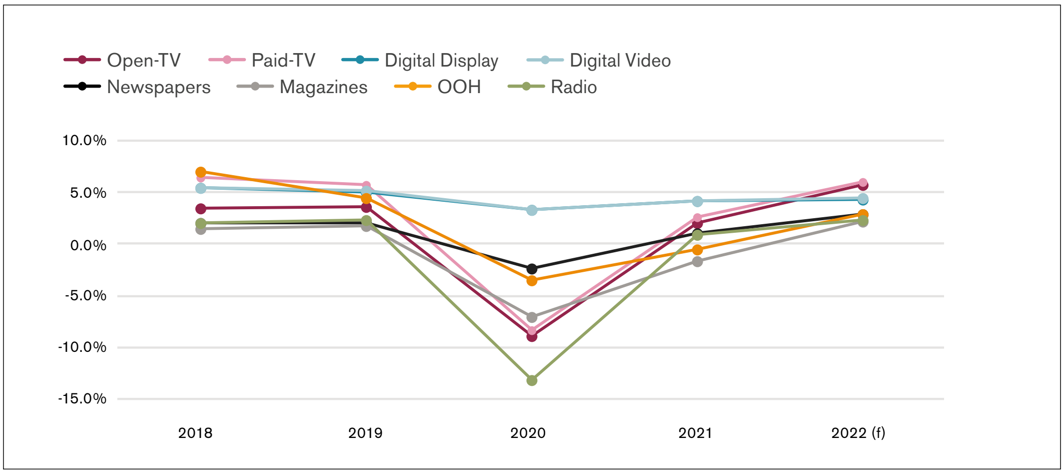
Offline vs Online



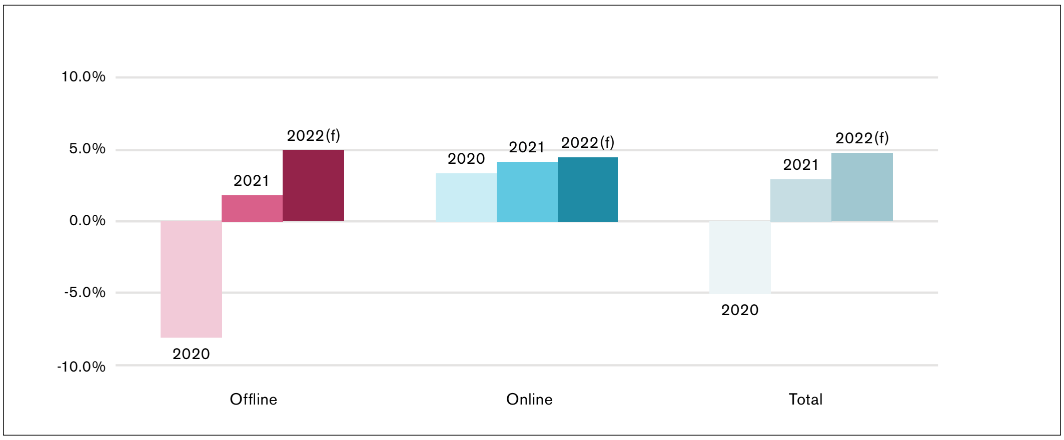
Mexico

Forecast update: TV is expected to see increased inflation compared to 2021, as are the other Offline media types. Online Video and Online Display, however, are forecast to remain consistent with their 2021 positions.

5-year trend 2018–2022(f)



Offline vs Online



About ECI

ECI: HIGHER MEDIA VALUE

Technology is transforming the media landscape at an unprecedented pace. But in the right hands, change can be a force for good. ECI Media Management, the market's fastest-growing global media management company, leverages these changes to help you drive higher media value from your advertising investment.

A modern, forensic approach

Ever since our formation we have championed a modern approach to media and financial auditing. As pioneers in the field of digital auditing, we include sophisticated analysis of programmatic activity in our audit model, and we pride ourselves on a forensic, fact-based approach which harnesses the power of our world-class talent and proprietary technology. Along with our innovative benchmarking capabilities, we are confident in our ability to empower our clients to drive higher media value and media-led impact on business performance. We can measure a very high proportion of media activity, allowing for a more accurate understanding of the efficacy of investments and better optimization for future activity.

Cutting-edge services

Capitalizing on today's dynamic, fast-paced media landscape to drive higher media value requires rapid, data-driven decision-making, global experience and a deep understanding of the latest technologies. At ECI Media Management we are proud to be able to offer these and so much more, including TV auditing, financial compliance auditing, pitch management, KPI setting and management and contract consultancy.

Global experience, local expertise

We are proud of our client portfolio, which contains some of the world's largest and leading advertisers. Our network of owned offices and leading affiliates supports them where they need us, across the Americas, Europe and Asia Pacific. We offer them high-level media intelligence, rigorous benchmarking and, ultimately, the insight, experience and savvy to ensure that their advertising investment and agency relationships drive higher media value.

Photo: Borchee / iStock

HIGHER MEDIA VALUE

Our product offering

Relationship Management

- Pitch Management
- Agency Contracts and Remuneration
- Financial Auditing and Contract Compliance

Media Performance Audit

All media, including Online

- **Target Value©**
  Cost Tracking – All Media
- **Target Mark®**
  Analysis & Benchmarking – All Media
- **FastTrack®**
  Rapid, automated data tracking and management

Media Consulting

- Media Training and Bespoke Workshops
- Media Strategy Effectiveness Review
- Business Process and Data Management Consulting

Photo: A and J King / Shutterstock

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HIGHER MEDIA VALUE

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